

FISCAL NOTE

Bill #: HB0486

Title: Revise hunting and fishing access laws-outfitter sponsored licenses

Primary Sponsor: Gallik, D

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
State Special Revenue	(\$914,426)	(\$2,434,750)
Revenue:		
State Special Revenue	(\$911,426)	(\$2,438,750)
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Fish, Wildlife and Parks (FWP)

1. In 2004, there were 1,141 licensed outfitters in Montana. Of these, 253 are active big game outfitters who operate on private leased lands.
2. These 253 outfitters served 5,551 clients using variable priced outfitter-sponsored licenses.
3. Of these 5,551 outfitter-sponsored licenses, it is reasonable to assume that 2,300 had B-11 Nonresident Deer Combo licenses and 2,251 had B-10 Nonresident Big Game Combo licenses.
4. As a result of this legislation, sales of variable priced outfitter-sponsored licenses to clients of outfitters operating on leased private lands could be reduced by 50 percent or more.
5. Currently, each B-11 Outfitter-Sponsored Nonresident Deer Combo license sells for \$775. With an estimated 50 percent reduction in the sale of outfitter-sponsored licenses, the unsold licenses will be made available at the general price of \$325. The fees are distributed as follows:

<u>Program</u>	<u>Outfitter-Sponsored</u>	<u>General</u>	<u>Impact</u>
Block Management	\$525	\$0	2,300 x 50% x (\$525) = (\$603,750)
Habitat Montana	\$200	\$225	2,300 x 50% x \$25 = \$28,750
General License Account	<u>\$50</u>	<u>\$100</u>	2,300 x 50% x \$50 = \$57,500
	\$775	\$325	

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6. Currently, each B-10 Outfitter-Sponsored Nonresident Big Game Combo license sells for \$975. With an estimated 50 percent reduction in the sale of outfitter-sponsored licenses, the unsold licenses will be made available at the general price of \$625. The fees are distributed as follows:

<u>Program</u>	<u>Outfitter-Sponsored</u>	<u>General</u>	<u>Impact</u>
Block Management	\$490	\$0	$2,251 \times 50\% \times (\$490) = (\$551,495)$
Habitat Montana	\$77	\$112	$2,251 \times 50\% \times \$35 = \$39,392$
Upland Game Bird	\$23	\$23	No impact
General License Account	<u>\$385</u>	<u>\$490</u>	$2,251 \times 50\% \times \$105 = \$118,177$
	\$975	\$625	

7. Current statute requires that the variable price be set at a market rate intended to sell as close to an average of 5,500 B-10 licenses and 2,300 B-11 licenses as possible over a 5-year period. At the current market prices of \$975/\$775, and based on the above assumptions, the FY 2006 targets will be undersold by 1,125 B-10's and 1,150 B-11's. This will require that the market price be lowered in FY 2007 to sell more licenses to reach the 5-year average. The department anticipates lowering the license prices to \$835/\$550 and still underselling by 1,625/1,750.

a. B-10 Target: $5,500 + 1,125 = 6,625$; B-10 est actual sales @ \$835 = 5,000; undersell: 1,625

b. B-11 Target: $2,300 + 1,150 = 3,450$; B-11 est actual sales @ \$550 = 1,700; undersell: 1,750

8. In FY 2007, FWP estimates selling 1,700 B-11 Outfitter-Sponsored Nonresident Deer Combo licenses at the reduced price of \$550 and underselling 1,750 licenses. The unsold licenses will be made available at the general price of \$325. The fees are distributed as follows:

<u>Program</u>	<u>Current</u>	<u>Proposed</u>	<u>Impact</u>
Block Management	\$525	\$300	$1,700 \times (\$225) = (\$382,500)$
Habitat Montana	\$200	\$200	No impact
General License Account	<u>\$50</u>	<u>\$50</u>	No impact
	\$775	\$550	

<u>Program</u>	<u>Outfitter-Sponsored</u>	<u>General</u>	<u>Impact</u>
Block Management	\$525	\$0	$1,750 \times (\$525) = (\$918,750)$
Habitat Montana	\$200	\$225	$1,750 \times \$25 = \$43,750$
General License Account	<u>\$50</u>	<u>\$100</u>	$1,750 \times \$50 = \$87,500$
	\$775	\$325	

9. In FY 2007, FWP estimates selling 5,000 B-10 Outfitter-Sponsored Nonresident Big Game Combo licenses at the reduced price of \$835. and underselling 1,625 licenses. The unsold licenses will be made available at the general price of \$625. The fees are distributed as follows:

<u>Program</u>	<u>Current</u>	<u>Proposed</u>	<u>Impact</u>
Block Management	\$490	\$350	$5,000 \times (\$140) = (\$700,000)$
Habitat Montana	\$77	\$77	No impact
Upland Game Bird	\$23	\$23	No impact
General License Account	<u>\$385</u>	<u>\$385</u>	No impact
	\$975	\$835	

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<u>Program</u>	<u>Outfitter-Sponsored</u>	<u>General</u>	<u>Impact</u>
Block Management	\$490	\$0	1,625 x (\$490) = (\$796,250)
Habitat Montana	\$77	\$112	1,625 x \$35 = \$56,875
Upland Game Bird	\$23	\$23	No impact
General License Account	<u>\$385</u>	<u>\$490</u>	1,625 x \$105 = \$170,625
	\$975	\$625	

10. In summary, this legislation will impact program revenue and expenditures as follows:

<u>Program</u>	<u>FY 2006</u>	<u>FY 2007</u>
Block Management	(\$1,155,245)	(\$2,797,500)
Habitat Montana	\$ 68,142	\$ 100,625
Upland Game Bird	\$ 0	\$ 0
General License Account	<u>\$ 175,677</u>	<u>\$ 258,125</u>
TOTAL	(\$ 911,426)	(\$2,438,750)

11. This bill requires the department to conduct hearings to ensure compliance with the legislation. The department anticipates approximately 4 hearings per year. Based on the cost of conducting similar hearings for property acquisition, FWP estimates a cost of approximately \$1,000/hearing (includes meals, meeting space, mileage and per diem, printing, etc). (\$1,000 x 4 = \$4,000)

Department of Labor and Industry (DLI)

12. The department estimates a cost of \$7,000 in FY 2006 to update existing software that would be used to collect data required under HB 486. Current license revenues would be sufficient to cover this expenditure.

13. The department will absorb any other workload costs associated with implementation of HB 486.

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Department of Fish, Wildlife and Parks (FWP)		
<u>Expenditures:</u>		
Operating Expenses	(\$907,426)	(\$2,434,750)
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	(\$907,426)	(\$2,434,750)
<u>Revenues:</u>		
State Special Revenue (02)	(\$911,426)	(\$2,438,750)
Department of Labor and Industry (DLI)		
<u>Expenditures:</u>		
Operating Expenses	\$7,000	\$0
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$7,000	\$0
TOTAL		
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$11,000)	(\$4,000)

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LONG-RANGE IMPACTS:

Because of the 5-year average described in assumption #7 above, this bill will result in a continued decline in the block management funding source. Fewer funds available for the program will result in fewer landowners being able to participate and fewer payments and services to participating landowners for hunting access.